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C O N F I D E N T I A L SECTION 01 OF 03 CHISINAU 001095

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TAGS: PREL PGOV PBTS UK MD

SUBJECT: UKRAINIAN AMBASSADOR ON BORDER DISPUTES AND SOLVING TRANSNISTRIA

Classified By: Ambassador Asif J. Chaudhry for reasons 1.4 (b) and (d)

¶1. (C) Summary: In an October 28 meeting with Ambassador Chaudhry, Ukrainian Ambassador Serhiy Pirozhkov underscored his desire for close cooperation with the U.S. and coordination on 5-plus-2. He reviewed three troublesome issues in border delineation that remain unresolved irritants to Ukrainian-Moldovan relations; the Novo-Dniestrovsk dam, the Giurgiulesti port, and the Palanca road. He spoke of the importance of a Transnistria settlement to Ukraine, which shares 450 kilometers of common border with this unstable region. He said he believed that Russia wanted continued instability in Transnistria in order to prevent expansion of NATO eastward. Europe was unable to take a hard line on solving the conflict, he argued, because of its own energy dependence upon Russia. End summary.

Pro-Western Pirozhkov Appreciates USG

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¶2. (C) Pirozhkov expressed his desire to work closely with the American Ambassador. He said Ukraine appreciated the strong USG support demonstrated during President Yushchenko's visit to the United States. Pirozhkov expressed an interest in strengthening cooperation with the U.S. and EU on 5-plus-2 negotiations.

No Border Demarcation on Transnistrian Segment

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¶3. (C) Ambassador Pirozhkov explained that Moldova and Ukraine share a common border of 1,222 kilometers, of which 750 kilometers have been delineated. There was no dispute about the 450 kms that made up the Transnistrian segment, and the two nations agreed that this portion of the border would be finalized when the conflict was settled. However, Pirozhkov believed, earlier demarcation of the Transnistrian segment, before the conflict was resolved, could help speed up a settlement. He noted that Transnistrian "Minister" for State Security Antiufeev, who represented the interests of Russian secret services, had convinced "President" Smirnov that, if this segment were demarcated, then Moldovan customs officials would appear on the border.

¶4. (C) Pirozhkov said that Moldova and Ukraine had appealed jointly to the European Commission to bring EUBAM into the demarcation process. The EU had officially agreed to this proposal and even expressed readiness to provide and finance some experts. However, complained Pirozhkov, the

Moldovan side then said that the Transnistrian demarcation should happen only after the three Moldovan-Ukrainian border disputes were resolved. Hence, this demarcation was not moving forward.

#### Three Unresolved Issues on Ukrainian-Moldovan Border

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**¶5. (C) Three unresolved issues in border delineation remain an irritant to the bilateral relationship between Ukraine and Moldova.**

-- 1. Novo-Dniestrovsk Hydro-Electric Power Plant: Construction of the Novo-Dniestrovsk plant, which started back in the 1980's, put facilities on both the Moldovan and Ukrainian banks of the Dniester River. The Ukrainian Ambassador claimed that the protocol of delimitation had specified that the Ukrainian border included the station on the Moldovan side of the river. However, Moldova disagreed and maintained that the border line was in the middle of the river. After several rounds of negotiations, the Ukrainians had agreed that the borderline would go through the middle of the river and had accepted the Moldovan proposal to rent the land occupied by the dam on the Moldovan side of the River. However, Moldova had now linked finalizing this agreement with resolution of the Giurgiulesti dispute.

-- 2. Giurgiulesti: This recently built port became a reality after complicated negotiations with

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Ukraine which eventually granted Chisinau several hundred meters of land on the Danube, thus allowing Moldova access to the Black Sea. According to the Ukrainian Ambassador, a dispute now existed about the exact location of the border line that should be drawn. The Moldovan side was seeking to define the border line in a way that, if extended out into the river, would yield Moldova an additional 1.5 square hectares. A compromise had not been found yet. This additional 1.5 square meters was significant for Moldova to allow ships to be able to make a turn. Ambassador Pirozhkov conceded that the line drawn by Moldova was, in fact, accurate. However, Ukrainian hands were tied as the original line had already been ratified by the Ukrainian parliament.

-- 3. Palanca: The Palanca problem was related to a small non-contiguous piece of Ukrainian territory south of Moldova that was isolated from mainland Ukraine by Moldova and the Black Sea. The Ukrainian Ambassador explained that in order to give Ukraine access to this territory, Moldova granted a 7.7 kilometer transit corridor known as the Palanca Road to Ukraine. This treaty was ratified by decision of Parliament of both sides, but Ukraine did not yet have full sovereignty over the road because a formal act concerning ownership of the land under the road has not been finalized. According to Pirozhkov, the Moldovan side said that it would only be ready to grant this act after resolution of the Novo-Dniestrovsk and Giurgiulesti problems.

#### Hopes for Resolution of Bilateral Problems

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**¶6. (C) Ambassador Pirozhkov hoped President Yushchenko would pay an official visit to Moldova before the end of the year. He believed such a visit could provide impetus for the sides to compromise in order to have the documents ready for signing. Ukraine had initially proposed a June timeframe and then September, but neither had been**

accepted by the Moldovan side. The most recent proposal had been for an October visit, but according to Pirozhkov, the Moldovan side had responded that as long as Giurgiulesti was not resolved, it would be pointless to schedule such a visit. The Ukrainian side wanted to organize the Yushchenko visit before the Moldovan elections, lest they be forced to start negotiating again from the beginning with a new government.

Ukraine wants Transnistria Settlement...

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¶7. (C) As Ukraine shared 450 kilometers of common border with Transnistria, finding a settlement was very important for Ukraine. Ukraine was interested in speeding up a political settlement, as without a settlement, Ukraine continued to live with instability on its border. Pirozhkov noted that the Ukrainian position on Transnistria settlement had been presented in the 2005 Yushchenko plan, which provided for a unified Moldova. Ukraine stood ready, said Pirozhkov, to provide its territory as a venue for 5-plus-2 meetings, noting that several recent informal meetings had taken place in Odessa.

...But Russia Does Not

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¶8. (C) Pirozhkov complained that Russia was trying to ignore the 5-plus-2 format and impose its own solution instead. Ambassador Chaudhry agreed that Russia was a major factor, suggesting that if Russia were ready to get the issues solved it would be easier to move forward. The Ukrainian Ambassador agreed, suggesting that Russia wanted to control all of Moldova. The Russians wanted to keep Transnistria under their control, suggested Pirozhkov, in order to be able to impose their will upon Voronin and Chisinau. Moldova was an element in Russia's big political game in the Black Sea region, establishing a zone of instability under Russia's control that continued from Moldova through the Crimea and Caucasus.

¶9. (C) Pirozhkov suggested that Russia desired to have Moldova and the Transnistrian conflict serve as obstacles for the enlargement of NATO. Since

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Ukraine had openly expressed its desire to join NATO, this was Russia's key challenge in the region. Pirozhkov suggested that Russia would do everything it could to prevent Ukraine from joining NATO, and to stop the expansion of NATO eastward. Ukrainian relations with Russia were not easy, said Pirozhkov, and had worsened since Medvedev's coming to power. Pirozhkov thought Russia would not push for a resolution of the Transnistria conflict, since the conflict would complicate Ukraine's NATO membership.

¶10. The Ukrainian Ambassador speculated that Russia had its own policy in the region which did not coincide with the interests of other players. Russia did not support the Moldovan package plan and did not believe that the 5-plus-2 format would solve anything, stated Pirozhkov. Hence, Russia was working directly with Voronin and Smirnov. After the Georgia events, Russia needed a positive example and was taking steps to bring these leaders closer. Pirozhkov thought that Voronin had taken a pause with respect to Transnistria, and it was unlikely that there would be any progress before the elections. Pirozhkov noted that Voronin's "main ideologist" on Transnistria, Mark Tkaciuk, had been dispatched to the election campaign.

¶11. The EU played a dual role. On the one hand, the EU wanted to see Moldova move in a European direction, but on the other hand, Europe did not want confrontation with Russia. Because Europe received 40 percent of its gas from Russia, European dependence upon Russian energy made it impossible for Europe to challenge Russia's positions, he concluded.

Comment

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¶12. (C) It would be in Moldova's interest to resolve the outstanding border issues with Ukraine and improve the bilateral relationship. At this point, Moldova still lacks a border treaty with its neighbor to the West, Romania, and thus improved relations with its neighbor to the East (and North) would be an important step forward. As Ukraine has its own problems with Russia and shares Moldova's desire for European integration, Ukraine is Moldova's natural ally in the region, and Moldova needs Ukrainian support in the 5-plus-2 process. It seems the outstanding border issues could be solved, if political will existed on the two sides. Continued failure to solve the problems would only play into the Russian hand.

¶13. (C) Ambassador Pirozhkov freely shares his private opinions with us and seems naturally inclined to coordinate with the U.S. on Transnistria and other regional issues. Our interests coincide.

CHAUDHRY